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Arizona Corporation Commission

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Attorneys for Freeport-McMoRan Copper & Gold Inc. and Arizonans for Electric Choice and Competition

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF TUCSON ELECTRIC POWER COMPANY FOR APPROVAL OF ITS REQUEST FOR ADDITIONAL FUNDING FOR ITS SMALL BUSINESS PROGRAM.

DOCKET No. E-01933A-07-0401

COMMENTS OF FREEPORT-MCMORAN COPPER & GOLD INC. AND ARIZONANS FOR ELECTRIC CHOICE AND COMPETITION

Freeport-McMoRan Copper & Gold, Inc. and Arizonans for Electric Choice and Competition (hereafter collectively "AECC") submits these Comments in the above-captioned matter. AECC supports the recommendations of Commission Staff to limit the amount spent on an Implementation Contractor ("IC") to no more than twenty-five percent (25%) of Tucson Electric Power Company's ("TEP") overall Small Business Program budget. As customers who help fund this program, it is disconcerting for AECC to learn that TEP's implementation costs for energy efficiency programs range anywhere between 15% and 85%, or greater. Ironically, it appears that some of TEP's energy efficiency programs are not "administratively" efficient and cost more to implement than what is being spent on the energy efficient products themselves.

TEP argues that the company should be given flexibility to manage a budget to

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¹ TEP Exceptions at 2. AECC believes that the Commission should consider placing a cap on the implementation costs for all such programs so that the funds are put to efficient use.

achieve established goals in a "cost effective" manner. However, AECC submits that if 1 any program cannot be implemented at the 25% cap of total costs recommended by Staff, 2 that program cannot be cost effective. 3 RESPECTFULLY SUBMITTED this 23rd day of July, 2010. 4 5 FENNEMORE CRAIG, P.C. 6 7 Webb Crockett 8 Patrick J. Black Attorneys for Freeport-McMoRan Copper 9 & Gold Inc. and Arizonans for Electric Choice and Competition 10 11 **ORIGINAL** and 13 copies filed this 23rd day of July, 2010 with: 12 13 Docket Control Arizona Corporation Commission 14 1200 West Washington Street 15 Phoenix, Arizona 85007 16 COPY hand-delivered this 23rd day of July, 2010 to: 17 Daniel Pozefsky, Esq. 18 **RUCO** 19 1110 West Washington, Suite 220 Phoenix, Arizona 85007 20 Timothy M. Hogan 21 Arizona Center for 22 202 E. McDowell Road, Suite 153 Phoenix, Arizona 85004 23 Jeff Schlegel 24 SWEEP Arizona Representative 25 1167 W. Samalayuca Drive

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